

may claim same within 5 years from the date of the veteran's death. If claimant is under any legal disability (as a minor, incompetent, etc.) at the date of the veteran's death, the 5-year period begins upon the termination of removal of legal disability. Such claims are for settlement by the field facility which had originally made the deposit. In the event of doubt as to entitlement or the necessity of legal proceedings to obtain assets for the benefit of the General Post Fund, the case will be referred to the Chief Attorney of jurisdiction for advice and/or appropriate action. Any necessary court costs or expenses will be paid from the appropriation, General Operating Expenses, Department of Veterans Affairs.

[33 FR 1073, Jan. 27, 1968]

OPERATION OF LOST AND FOUND SERVICE

§ 12.24 Operation of lost and found service.

Unless maintained by the Public Buildings Service, the lost and found service will be maintained by an employee designated by the Manager to be known as the lost and found custodian. VA Form 3771, Record of Lost or Found Article, will be used for recording articles of any personal property lost or found. Every effort will be made to determine rightful ownership of found articles and to recover items which have been reported lost. Currency, including readily negotiable instruments, found and delivered to the lost and found custodian will not be retained beyond the official closing hour. The currency or negotiable instruments will be delivered to the agent cashier before the close of business. Individuals claiming found articles will furnish complete identification and satisfy the facility authority of rightful ownership. Where more than one individual claims ownership the matter will be referred to the Manager for decision. All articles of personal property remaining unclaimed for 90 days or more will be disposed of in accordance with § 12.8.

[21 FR 3875, June 6, 1956]

PART 13—VETERANS BENEFITS ADMINISTRATION, FIDUCIARY ACTIVITIES

Sec.

- 13.1 Authority.
- 13.2 Field examinations.
- 13.3 State legislation.
- 13.55 Veterans Service Center Manager to select and appoint or recommend for appointment the person or legal entity to receive Department of Veterans Affairs benefits in a fiduciary capacity.
- 13.56 Direct payment.
- 13.57 Payment to the wife or husband of incompetent veteran.
- 13.58 Legal custodian.
- 13.59 Court-appointed fiduciary.
- 13.61 Payment to the chief officer of institution.
- 13.62 Payment to bonded officer of Indian reservation.
- 13.63 Payment to custodian-in-fact.
- 13.64 Fiduciary commissions.
- 13.69 Limitation of beneficiaries to individual fiduciary.
- 13.70 Apportionment of benefits to dependents.
- 13.71 Payment of cost of veteran's maintenance in institution.
- 13.72 Release of funds from Personal Funds of Patients.
- 13.73 Transfer of funds from funds due incompetent beneficiaries.
- 13.74-13.77 [Reserved]
- 13.75 Beneficiaries in penal institutions.
- 13.76 Appeals from Veterans Service Center Manager's determination under 38 U.S.C. 5503(b)(2).
- 13.77 Administrative review of the Veterans Service Center Manager's determination made under 38 U.S.C. 5503(b)(2).
- 13.100 Supervision of fiduciaries.
- 13.101 Management and use of estates of minors.
- 13.102 Accountability of legal custodians.
- 13.103 Investments by Federal fiduciaries.
- 13.104 Accounts of court-appointed fiduciaries.
- 13.105 Surety bonds.
- 13.106 Investments by court-appointed fiduciaries.
- 13.107 Accounts of chief officers of public or private institutions.
- 13.108-13.109 [Reserved]
- 13.109 Determination of value of estate; 38 U.S.C. 5503(b)(1)(A) and 38 U.S.C. 5505.
- 13.110 Escheat; post fund.
- 13.111 Claims of creditors.

AUTHORITY: 72 Stat. 1114, 1232, as amended, 1237; 38 U.S.C. 501, 5502, 5503, 5711, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 13 appear at 61 FR 7216, Feb. 27, 1996, and 67 FR 46868, July 17, 2002.

§ 13.1

38 CFR Ch. I (7–1–16 Edition)

§ 13.1 Authority.

The regulations in this part are issued pursuant to 38 U.S.C. 501 to reflect action under 38 U.S.C. 512 and to implement 38 U.S.C. 5301, 5502, 5503, 5711 and 8520. The duties, the delegations of authority, and all actions required of the Veterans Service Center Manager set forth in §§ 13.1 through 13.111 inclusive, are to be performed under the direction of, and authority vested in, the Director of the field facility.

[40 FR 54247, Nov. 21, 1975]

§ 13.2 Field examinations.

(a) *Authority to conduct; generally.* Field personnel in the Veterans Service Center and other employees who are qualified and designated by the field facility Director are authorized, when assigned, to conduct investigations (field examinations) and examine witnesses upon any matter within the jurisdiction of the Department of Veterans Affairs, to take affidavits, to administer oaths and affirmations, to certify copies of public or private documents and to aid claimants in the preparation of claims.

(b) *Scope of field examinations; fiduciary activities.* Field examinations include but are not limited to the following:

(1) Matters involving the administration of estates and the welfare of beneficiaries of the Department of Veterans Affairs who are under legal disability or in need of supervision by the Veterans Service Center Manager.

(2) Matters involving the welfare and needs of dependents of incompetent beneficiaries.

(3) Recovery of amounts due the Government or General Post Fund under laws administered by the Department of Veterans Affairs.

[40 FR 54247, Nov. 21, 1975, as amended at 67 FR 46869, July 17, 2002]

§ 13.3 State legislation.

Field facility Directors are authorized to cooperate with the affiliated organizations, legislative committees, and through the General Counsel with local and State bar associations, to the end that deficiencies of the State laws relating to Department of Veterans Affairs operations may be removed. No

action to commit the Department of Veterans Affairs regarding any proposed legislation relating to fiduciary matters will be taken without the approval of the Under Secretary for Benefits or designee.

[40 FR 54247, Nov. 21, 1975]

§ 13.55 Veterans Service Center Manager to select and appoint or recommend for appointment the person or legal entity to receive Department of Veterans Affairs benefits in a fiduciary capacity.

(a) *Authority.* The Veterans Service Center Manager is authorized to select and appoint (or in the case of a court-appointed fiduciary, to recommend for appointment) the person or legal entity best suited to receive Department of Veterans Affairs benefits in a fiduciary capacity for a beneficiary who is mentally ill (incompetent) or under legal disability by reason of minority or court action, and beneficiary's dependents.

(b) *Payees.* Authorized payees include:

(1) The beneficiary (§ 13.56(c));

(2) The beneficiary under supervision (supervised direct payment) (§ 13.56 (a) and (b));

(3) The wife or husband of an incompetent veteran (§ 13.57);

(4) The legal custodian of a beneficiary's Department of Veterans Affairs benefits (§ 13.58);

(5) A court-appointed fiduciary of a beneficiary (§ 13.59);

(6) The chief officer of the institution in which the veteran is receiving care and treatment (§ 13.61);

(7) The bonded officer of an Indian reservation (§ 13.62);

(8) A custodian-in-fact of the beneficiary (§ 13.63);

(9) Dependents of the veteran by an apportioned award (§ 13.70).

(c) *Certification.* The Veterans Service Center Manager's certification is authority to make payments to the designated payee.

[40 FR 54247, Nov. 21, 1975]

§ 13.56 Direct payment.

(a) *Veterans.* Department of Veterans Affairs benefits payable to a veteran rated incompetent may be paid directly to the veteran in such amount

Department of Veterans Affairs

§ 13.59

as the Veterans Service Center Manager determines the veteran is able to manage with continuing supervision by the Veterans Service Center Manager, provided a fiduciary is not otherwise required. If it is determined that an amount less than the full entitlement is to be paid, such payment shall be for a limited period of time, generally 6 months, but in no event to exceed 1 year, after which full payment will be made and any funds withheld as a result of this section will be released to the veteran, if not otherwise payable to a fiduciary.

(b) *Other adults.* Department of Veterans Affairs benefits payable to an adult beneficiary who has been rated or judicially declared incompetent may be paid directly to the beneficiary in such amounts as the Veterans Service Center Manager determines the beneficiary is able to manage with continuing supervision by the Veterans Service Center Manager, provided a fiduciary is not otherwise required. If it is determined that an amount less than the full entitlement is to be paid, such payment shall be for a limited period of time, generally 6 months, but in no event to exceed 1 year, after which full payment will be made and any funds withheld as a result of this section will be released to the beneficiary, if not otherwise payable to a fiduciary.

(c) *Minors.* Department of Veterans Affairs benefits payable to a minor:

(1) May be paid direct when:

(i) Arising in connection with a program of education or training under 38 U.S.C. ch. 35.

(ii) The Veterans Service Center Manager determines it would be in the minor's best interests.

(2) Will be paid direct when:

(i) The beneficiary's only legal disability is minority and he or she is in active military, naval, or air service, or the widow or widower of a veteran.

(ii) The minor is deemed otherwise emancipated under State law.

[40 FR 54247, Nov. 21, 1975, as amended at 42 FR 34282, July 5, 1977; 67 FR 46869, July 17, 2002]

§ 13.57 Payment to the wife or husband of incompetent veteran.

Compensation, pension or emergency officers' retirement pay of a veteran

rated or judicially declared incompetent, may be paid to the veteran's spouse, provided the spouse is qualified to administer the funds payable and agrees to use the amounts paid for the veteran and the veteran's dependents, if any.

[40 FR 54247, Nov. 21, 1975]

§ 13.58 Legal custodian.

(a) *Authority.* The Veterans Service Center Manager is authorized to make determinations as to the person or legal entity to be appointed legal custodian to receive Department of Veterans Affairs payments on behalf of a beneficiary who is incompetent or under legal disability by reason of minority or court action. In the absence of special circumstances, the person or legal entity to be appointed legal custodian will be the person or legal entity caring for and/or having custody of the beneficiary or the beneficiary's estate.

(b) *Payment to.* Department of Veterans Affairs benefits may be paid to a legal custodian subject to the following conditions:

(1) The Veterans Service Center Manager has determined that it would be in the best interests of the beneficiary to appoint a legal custodian.

(2) The proposed legal custodian is qualified to administer the benefits payable and will agree to:

(i) Apply the benefits paid for the best interests of the beneficiary.

(ii) Invest surplus funds as provided by Department of Veterans Affairs regulations,

(iii) Furnish, upon request, evidence of compliance with agreement as to usage and investment of Department of Veterans Affairs benefits, and

(iv) Inform the Veterans Service Center Manager of any change in the beneficiary's estate or any other circumstances that might affect entitlement or the manner in which payments are to be made.

[40 FR 54247, Nov. 21, 1975]

§ 13.59 Court-appointed fiduciary.

(a) *Payment to.* Any Department of Veterans Affairs benefit may be paid to the fiduciary appointed by a State court for a beneficiary who is a minor,

§ 13.61

or incompetent or under other legal disability adjudged by a court of competent jurisdiction. Formal or informal accountings may be required from such fiduciaries, with or without judicial proceedings.

(b) *Veterans Service Center Manager's responsibility.* The Veterans Service Center Manager shall: (1) Determine and recommend to the Regional Counsel the person or legal entity best fitted for appointment as State court fiduciary for the particular beneficiary. Necessary legal action will be taken by the Regional Counsel.

(2) Upon advice from the Regional Counsel that the fiduciary has been appointed, issue appropriate certification thereof so that payment of benefits can be made to such fiduciary.

[40 FR 54247, Nov. 21, 1975]

§ 13.61 Payment to the chief officer of institution.

The Veterans Service Center Manager may authorize the payment of all or part of the pension, compensation or emergency officers' retirement pay payable in behalf of a veteran rated incompetent by the Department of Veterans Affairs to the chief officer of the institution wherein the veteran is being furnished hospital treatment or institutional, nursing or domiciliary care, for the veteran's use and benefit, when the Veterans Service Center Manager has determined such payment (called an institutional award) will adequately provide for the needs of the veteran and obviate need for appointment of another type of fiduciary.

[40 FR 54248, Nov. 21, 1975]

§ 13.62 Payment to bonded officer of Indian reservation.

Any benefits due an incompetent adult or minor Indian, who is a recognized ward of the Government, may be awarded to the superintendent or other bonded officer designated by the Secretary of the Interior to receive funds under 25 U.S.C. 14.

[40 FR 54248, Nov. 21, 1975]

§ 13.63 Payment to custodian-in-fact.

All or any part of a benefit due a minor or incompetent adult, payment of which is suspended or withheld be-

38 CFR Ch. I (7-1-16 Edition)

cause payment may not be properly made to an existing fiduciary, may be paid temporarily to the person having custody and control of the beneficiary.

[36 FR 19023, Sept. 25, 1971]

§ 13.64 Fiduciary commissions.

Generally, a VA appointed fiduciary is to be encouraged to serve without fee.

(a) *Authority.* The Veterans Service Center Manager is authorized to determine when a commission is necessary in order to obtain the services of a fiduciary, except that the Veterans Service Center Manager may not authorize a commission to a fiduciary who receives any other form of remuneration or payment in connection with rendering fiduciary services on behalf of the beneficiary. Necessity is established only if the beneficiary's best interest would be served by the appointment of a qualified professional, or, if a qualified professional is not available, the proposed fiduciary is the only qualified person available and is not willing to serve without a fee.

(b) *Amount; notice to beneficiary.* The Veterans Service Center Manager shall authorize a fiduciary to whom a commission is payable under paragraph (a) of this section to deduct from the beneficiary's estate a reasonable commission for fiduciary services rendered. The commission for any year may not exceed 4 percent of the monetary benefits paid by VA on behalf of the beneficiary to the fiduciary during that year; a year being the normal 12 month period following the anniversary date of appointment. The Veterans Service Center Manager shall furnish appropriate notice to the beneficiary, either directly or through the fiduciary, that a commission is payable.

(c) *Persons who may be excluded.* Commissions may not be authorized to dependents of the beneficiary or other close relatives acting in a fiduciary capacity on behalf of the beneficiary, except under extraordinary circumstances.

(Authority: 38 U.S.C. 5502; Pub. L. 98-223)

[51 FR 26157, July 21, 1986]

Department of Veterans Affairs

§ 13.71

§ 13.69 Limitation of beneficiaries to individual fiduciary.

For purposes of payment of Department of Veterans Affairs benefits, the number of beneficiaries for whom an individual fiduciary may act will be limited to the number the fiduciary may be reasonably expected to properly serve. When, in the judgment of the Veterans Service Center Manager, a fiduciary has been appointed or is seeking appointment in a case in excess of that number, the Veterans Service Center Manager will initiate action to obtain a suitable substitute fiduciary.

[40 FR 54248, Nov. 21, 1975]

§ 13.70 Apportionment of benefits to dependents.

(a) *Incompetent veterans being furnished hospital treatment, institutional or domiciliary care by United States or political subdivision thereof.* When compensation, pension or emergency officers' retirement pay is payable in behalf of a veteran who is incompetent or under other legal disability by court action, the Veterans Service Center Manager may recommend such apportionment to or in behalf of the veteran's spouse, child or dependent parent as may be necessary to provide for their needs.

(b) *Dependent parents.* When the compensation of a veteran paid to his or her fiduciary includes an additional amount for a dependent parent or parents and the fiduciary neglects or refuses to make an equivalent contribution for their support, the Veterans Service Center Manager may recommend the apportionment to the parent or parents of the additional amount.

(c) *Payments withheld because of fiduciary's failure to properly administer veteran's estate.* When payments of compensation, pension or emergency officers' retirement pay in behalf of a veteran have been stopped because of the fiduciary's failure or inability to properly account or otherwise administer the estate, the Veterans Service Center Manager may recommend the apportionment to the veteran's spouse, child or dependent parent of any benefit not

paid under an institutional award or to a custodian-in-fact.

(Authority: 38 U.S.C. 501, 512, 5502, 5503)

[40 FR 54248, Nov. 21, 1975, as amended at 51 FR 26158, July 21, 1986; 66 FR 48561, Sept. 21, 2001; 68 FR 34543, June 10, 2003]

§ 13.71 Payment of cost of veteran's maintenance in institution.

(a) The payment of part of compensation, pension or emergency officers' retirement pay for the cost of a veteran's hospital treatment, institutional or domiciliary care in an institution operated by a political subdivision of the United States may be authorized as provided in paragraph (b) of this section when:

(1) The veteran is rated incompetent by the Department of Veterans Affairs.

(2) It has been determined the veteran is legally liable for the cost of his or her maintenance, and

(3) The institution's representative has asserted or probably will assert a claim for full maintenance costs.

(b) Subject to these conditions and the further condition that the responsible official of the institution or political subdivision will agree not to assert against Department of Veterans Affairs benefits any further claim for maintenance during the veteran's lifetime, the Veterans Service Center Manager may agree with such official to the payment of the veteran's benefits through an institutional award to be applied to:

(1) A monthly amount determined by the Veterans Service Center Manager to be needed for the veteran's personal use,

(2) An amount to be agreed upon to be accumulated to provide for the veteran's rehabilitation upon release from the institution, and

(3) So much of the amount of the benefit as remains not exceeding the amount the Veterans Service Center Manager determines to be the proper charge as fixed by statute or administrative regulation, to the cost of the veteran's maintenance.

(c) Upon execution of an agreement as provided in paragraph (b) of this section, the Veterans Service Center Manager will certify the total amount to be

§ 13.72

released to the chief officer of the institution.

(Authority: 38 U.S.C. 501, 512, 5502, 5503)

[40 FR 54248, Nov. 21, 1975, as amended at 51 FR 26158, July 21, 1986; 66 FR 48561, Sept. 21, 2001; 67 FR 46869, July 17, 2002; 68 FR 34543, June 10, 2003]

§ 13.72 Release of funds from Personal Funds of Patients.

Veterans Service Center Managers may authorize release of funds from Personal Funds of Patients for the needs of veterans and their dependents, including amounts fixed by statute or administrative regulations as the cost of current maintenance of veterans in institutions of the United States or a political subdivision thereof other than Department of Veterans Affairs institutions.

[40 FR 54248, Nov. 21, 1975]

§ 13.73 Transfer of funds from funds due incompetent beneficiaries.

Veterans Service Center Managers may, when required for the benefit of the veteran and/or the veteran's dependents, authorize the transfer of amounts credited to veterans in Funds Due Incompetent Beneficiaries to Department of Veterans Affairs Personal Funds of Patients accounts or to chief officers of non-Department of Veterans Affairs institutions for the accounts of institutionalized veterans.

[40 FR 54248, Nov. 21, 1975]

§§ 13.74–13.77 [Reserved]

§ 13.100 Supervision of fiduciaries.

(a) *Federal fiduciaries.* In Federal fiduciary cases, the Veterans Service Center Manager may, when he or she deems it necessary for the protection of the beneficiary's interests:

(1) Require an accounting, formal or informal, of Department of Veterans Affairs benefits paid.

(2) Terminate the appointment of a Federal fiduciary and appoint a successor Federal fiduciary.

(Authority: 38 U.S.C. 5502)

(b) *Court-appointed fiduciaries.* In court-appointed fiduciary cases, the Veterans Service Center Manager will take such informal action as may be

38 CFR Ch. I (7–1–16 Edition)

necessary to assure that the needs of the beneficiary are provided for and Department of Veterans Affairs benefits are prudently administered and adequately protected.

(Authority: 38 U.S.C. 501)

(c) *Unsatisfactory conditions.* In any case where a fiduciary fails to render a satisfactory account or has collected or paid, or is attempting to collect or pay, fees, commissions, or allowances that are illegal or inequitable or in excess of those allowed by law, or has failed to use Department of Veterans Affairs funds for the benefit of the beneficiary or the beneficiary's dependents, or has otherwise failed or neglected to properly execute the duties of his or her trust, and informal efforts by the Veterans Service Center Manager to correct the situation prove unsuccessful, the case will be referred to the Regional Counsel. In such cases the Veterans Service Center Manager may have all Department of Veterans Affairs benefits suspended.

(Authority: 38 U.S.C. 5502)

(d) *Misappropriation, embezzlement or violation of Federal statutes.* When the evidence indicates a prima facie case of misappropriation, embezzlement or violation of the Federal statutes, the matter will be submitted to the Regional Counsel for review and, if appropriate, the Regional Counsel's referral to the U.S. Attorney.

(Authority: 38 U.S.C. 6101)

[40 FR 54249, Nov. 21, 1975]

§ 13.101 Management and use of estates of minors.

Department of Veterans Affairs benefits payable in behalf of minors should be used for their benefit. Such funds should be expended only to the extent the person or persons responsible for their needs are unable to provide for them, except those derived from payments under 38 U.S.C. ch. 35.

(Authority: 38 U.S.C. 501)

[28 FR 10751, Oct. 5, 1963]

Department of Veterans Affairs

§ 13.105

§ 13.102 Accountability of legal custodians.

(a) *Institutionalized veterans without spouse or child.* The legal custodian of VA benefits of an incompetent veteran who has neither spouse nor child and who is being furnished hospital treatment or institutional or domiciliary care by the United States or a political subdivision thereof, will account upon request to VA for funds received from VA for the beneficiary and will submit a statement of all other income received and the total assets from any source held for the beneficiary.

(b) *All other beneficiaries.* Compliance with the agreement as to benefit use and any authorized modifications due to changed need, proof of existence of funds surplus to immediate needs and proper investment thereof, if appropriate, will be established by personal contact.

(Authority: 38 U.S.C. 501)

[36 FR 19025, Sept. 25, 1971, as amended at 53 FR 20618, June 6, 1988]

§ 13.103 Investments by Federal fiduciaries.

(a) *Type authorized.* VA benefits paid to a Federally appointed fiduciary other than a spouse payee or an institutional award payee may be invested only in United States savings bonds, or in interest or dividend-paying accounts in State or Federally insured institutions, whichever is to the beneficiary's advantage. Department of Veterans Affairs benefits that are paid on behalf of an incompetent veteran to an institution via an institutional award payment arrangement may not be invested.

(b) *Registration.* (1) When funds are invested in bonds, the bonds will be registered in this form: (Beneficiary's Name), (Social Security No.), under custodianship by designation of the Department of Veterans Affairs.

(2) When funds are invested in interest or dividend-paying accounts in State or Federally insured institutions, the account will be registered in this form: (Beneficiary's name), by (Fiduciary's Name), Federal fiduciary.

(c) *Pre-need burial arrangements.* Federally appointed fiduciaries, other than institutional award payees, may use a

beneficiary's funds derived from VA benefits to make deposits into, or purchase, a pre-need burial plan or burial insurance on behalf of the beneficiary, if to do so is in the beneficiary's interest.

(Authority: 38 U.S.C. 501)

[53 FR 20619, June 6, 1988]

§ 13.104 Accounts of court-appointed fiduciaries.

(a) *Requirement to account; notices of filings and hearings.* Accounts may be required from court-appointed fiduciaries as provided by State law, but in no event less frequently than once every 3 years. Arrangements will be made with the courts whereby notices of filing of all petitions, accounts, etc., and of hearings on same, relative to court-appointed fiduciary cases wherein the Department of Veterans Affairs is an interested party, will be sent to the Veterans Service Center Manager for review, distribution and such action as may be appropriate. Matters which require legal action will be referred to the Regional Counsel, and will include any matter in which the Department of Veterans Affairs has any objections to offer.

(b) *Fiduciary and beneficiary in jurisdiction other than a State of the United States.* Accounts will not be required, in the discretion of the Veterans Service Center Manager, in cases where the fiduciary and beneficiary permanently reside in a jurisdiction other than a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico or the Republic of the Philippines, and the fiduciary appointment was made in said jurisdiction.

[40 FR 54250, Nov. 21, 1975]

§ 13.105 Surety bonds.

(a) *Federal fiduciaries.* (1) The Veterans Service Center Manager may require a legal custodian, custodian-in-fact or chief officer of a private institution recognized to administer Department of Veterans Affairs benefits on behalf of a beneficiary, to furnish a corporate surety bond in an amount determined to be sufficient to protect the interest of the beneficiary. Such bond shall run to the Secretary of Veterans

§ 13.106

Affairs for the use and benefit of the beneficiary.

(2) The Veterans Service Center Manager may require a legal custodian to furnish an agreement in lieu of a surety bond or additional surety bond when funds are deposited in an interest or dividend-paying account in a State or federally insured institution. The agreement will provide that the legal custodian and institution agree that all funds received from the Department of Veterans Affairs on behalf of the beneficiary, which have been or will be deposited by the legal custodian in the account, will be withdrawn only with the written consent of the Veterans Service Center Manager or designee.

(b) *Substitution of surety; claims against defunct companies.* If any surety company is placed in receivership or ceases to do business in the particular State, the Veterans Service Center Manager will take the necessary action to have proper bonds substituted in Federal fiduciary cases and refer the matter to the Regional Counsel for such other action as may be appropriate.

(Authority: 38 U.S.C. 501)

[40 FR 54250, Nov. 21, 1975]

§ 13.106 Investments by court-appointed fiduciaries.

The Veterans Service Center Manager will review and to the extent possible determine the legality and prudence of investments involving Department of Veterans Affairs income or estate. It is Department of Veterans Affairs policy to invest income or estate derived from Department of Veterans Affairs benefits only in legal investments which have safety, assured income, stability of principal and ready convertibility for the requirements of the beneficiary and his or her dependents. When notice of a contemplated or actual illegal or imprudent investment comes to the attention of the Veterans Service Center Manager, he or she will take remedial action to protect the beneficiary's estate. Cases in which it becomes necessary to institute court action will be referred to the Regional Counsel.

(Authority: 38 U.S.C. 501)

[40 FR 54250, Nov. 21, 1975]

38 CFR Ch. I (7-1-16 Edition)

§ 13.107 Accounts of chief officers of public or private institutions.

(a) *Department of Veterans Affairs benefits.* The chief officer of an institution, other than a Federal institution, shall, when requested, render an account to the Department of Veterans Affairs for funds received from the Department of Veterans Affairs on account of an incompetent veteran.

(b) *All income and assets.* The chief officer of the aforementioned institutions shall, when requested, furnish a statement of all income received in behalf of a Department of Veterans Affairs beneficiary under legal disability and the total assets held for the beneficiary.

(Authority: 38 U.S.C. 5502)

[36 FR 19025, Sept. 25, 1971, as amended at 68 FR 34543, June 10, 2003]

§§ 13.108-13.109 [Reserved]

§ 13.110 Escheat; post fund.

(a) *Escheat; 38 U.S.C. 5502(e).* Upon death of a beneficiary for whom payment of Department of Veterans Affairs benefits was made to a court-appointed fiduciary, legal custodian, custodian-in-fact, or by institutional award, the fiduciary (or the deceased beneficiary's personal representative) shall, upon request, account for and return to the Department of Veterans Affairs any remaining assets derived from Department of Veterans Affairs benefits which would under State law escheat to the State, less legal expenses of any administration necessary to determine that an escheat is in order.

(b) *General Post Fund; 38 U.S.C. 5220(a).* Upon the death of a veteran intestate while a member or patient in any facility while being furnished care or treatment therein by the Department of Veterans Affairs, who is not survived by a spouse, next of kin, or heirs entitled under the laws of the veteran's domicile, the veteran's fiduciary, if any, or the veteran's personal representative shall account for and turn over to the Department of Veterans Affairs all personal property, including money and chooses in action owned by the veteran at the time of his or her death. (See also § 14.514(c) of this chapter.)

Department of Veterans Affairs

Pt. 14

(c) *Refusal of fiduciary or personal representative to cooperate.* If the fiduciary or personal representative, if any, refuses to voluntarily comply with the provisions of paragraph (a) or (b) of this section, the Veterans Service Center Manager will submit a complete report to the Regional Counsel.

[36 FR 19025, Sept. 25, 1971, as amended at 40 FR 54250, Nov. 21, 1975]

§ 13.111 Claims of creditors.

Under 38 U.S.C. 5301(a), payments made to or on account of a beneficiary under any of the laws relating to veterans are exempt, either before or after receipt by the beneficiary, from the claims of creditors and State and local taxation. The fiduciary should invoke this defense where applicable. If the fiduciary does not do so, the Veterans Service Center Manager should refer the matter to the Regional Counsel for appropriate action.

[40 FR 54251, Nov. 21, 1975]

PART 14—LEGAL SERVICES, GENERAL COUNSEL, AND MISCELLANEOUS CLAIMS

Sec.

- 14.500 Functions and responsibilities of General Counsel.
- 14.501 Functions and responsibilities of Regional Counsels.
- 14.502 Requests for legal opinions from Central Office.
- 14.503 Requests for legal advice and assistance in other than domestic relations matters.
- 14.504 Domestic relations questions, authority and exceptions.
- 14.505 Submissions.
- 14.507 Opinions.

LITIGATION (OTHER THAN UNDER THE FEDERAL TORT CLAIMS ACT); INDEMNIFICATION

- 14.514 Suits by or against United States or Department of Veterans Affairs officials; indemnification of Department of Veterans Affairs employees.
- 14.515 Suits involving loan guaranty matters.
- 14.516 Escheat and post fund cases.
- 14.517 Cases affecting the Department of Veterans Affairs generally.
- 14.518 Litigation involving beneficiaries in custody of Department of Veterans Affairs employees acting in official capacity.

PROSECUTION

- 14.560 Procedure where violation of penal statutes is involved including those offenses coming within the purview of the Assimilative Crime Act (18 U.S.C. 13).
- 14.561 Administrative action prior to submission.
- 14.562 Collections or adjustments.

FEDERAL TORT CLAIMS

- 14.600 Federal Tort Claims Act—general.
- 14.601 Investigation and development.
- 14.602 Requests for medical information.
- 14.603 Disposition of claims.
- 14.604 Filing a claim.
- 14.605 Suits against Department of Veterans Affairs employees arising out of a wrongful act or omission or based upon medical care and treatment furnished in or for the Veterans Health Administration.

ADMINISTRATIVE SETTLEMENT OF TORT CLAIMS ARISING IN FOREIGN COUNTRIES

- 14.615 General.
- 14.616 Form and place of filing claim.
- 14.617 Disposition of claims.

CLAIMS FOR DAMAGE TO OR LOSS OF GOVERNMENT PROPERTY

- 14.618 Collection action.

CLAIMS FOR COST OF MEDICAL CARE AND SERVICES

- 14.619 Collection action.

REPRESENTATION OF DEPARTMENT OF VETERANS AFFAIRS CLAIMANTS; RECOGNITION OF ORGANIZATIONS, ACCREDITED REPRESENTATIVES, ATTORNEYS, AGENTS; RULES OF PRACTICE AND INFORMATION CONCERNING FEES, 38 U.S.C. 5901–5905

- 14.626 Purpose.
- 14.627 Definitions.
- 14.628 Recognition of organizations.
- 14.629 Requirements for accreditation of service organization representatives; agents; and attorneys.
- 14.630 Authorization for a particular claim.
- 14.631 Powers of attorney; disclosure of claimant information.
- 14.632 Standards of conduct for persons providing representation before the Department.
- 14.633 Termination of accreditation or authority to provide representation under §14.630.
- 14.634 Banks or trust companies acting as guardians.
- 14.635 Office space and facilities.
- 14.636 Payment of fees for representation by agents and attorneys in proceedings before Agencies of Original Jurisdiction and before the Board of Veterans' Appeals.